

Chapter 27

The Impact of Climate Change on Global Entrepreneurial Activities

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ABSTRACT

In this era of climate change, there has been urgent calls for entrepreneurs to adopt sustainable business practices. Entrepreneurs need to seek to increase their production efficiency. Entrepreneurs have looked at sustainability as a solution to improve value for society, the environment, and financial gains for their businesses. Businesses around the globe are embracing entrepreneurial business sustainability with the aim of increasing their triple bottom line. Climate change has challenged not only governments across the world but also businesses. Businesses around the globe are embracing entrepreneurial business sustainability with the aim of increasing their triple bottom line. Climate change has challenged not only governments across the world but also businesses, and as a result, efforts have been made by various stakeholders such as the United Nations to assist countries in mitigating the consequences of climate change on economic, social, and ecological dimensions.

INTRODUCTION

International bureaucracies such as the United Nations (UN) have been encouraging the need for entrepreneurs and corporates to introduce green or rather clean methods and systems of production that will have minimal or no harm towards the environment. This led to the development of the concept

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“sustainable development” by the UN in the Brundtland Report in 1987 (Klarin, 2018). The concept of “sustainable development” in its basic meaning implies economic development that meets the present needs of the current generation without compromising the ability of the future generation to also fulfill their needs (Klarin, 2018).

Therefore, this chapter intends to investigate the extent to which global entrepreneurial activities are affected by climate change. There are efforts and initiatives undertaken by governments and international organisations to mitigate the consequences of climate change. For example, the UN introduced seventeen (17) goals to be met in order to ensure sustainable development. These efforts by the UN are to protect people and the environment from harmful industrial production activities which further lead to climate change (Figueres, Schellnhuber, Whiteman, Rockström, Hobley and Rahmstorf, 2017).

Thus, scholars (Scott, Hall & Gössling, 2016; Matsumoto, Hasegawa, Morita, & Fujimori, 2019; Hoegh-Guldberg, Jacob, Taylor, Bolaños, Bindi, Brown, Camilloni, Diedhiou, Djalante, Ebi, & Engelbrecht, 2019) argued that businesses should also play their part in ensuring sustainability by adopting or utilising a cleaner energy source such as solar energy in their production processes. However, the above-mentioned scholars’ emphasis rather encourages entrepreneurial initiatives that seek to introduce environmentally friendly resources. Therefore, the gap in literature is that scholars have focused their studies on large corporates, and this chapter intends to add sustainability-related literature aimed at small entrepreneurial enterprises.

Moreover, the identified problem in literature is that scholars such as De Coning (2018) and Chassé (2017) among others have only discussed the consequences of corporates’ negligence towards the environment and the world at large. This chapter intends to discuss a different perspective, which is how entrepreneurial businesses can contribute to sustainability and which initiatives can be adopted to achieve efficiency.

BACKGROUND

First and foremost, it is important to note that the impact of climate change on global entrepreneurial activities has been researched by different scholars including the likes of Kraus Burtcher, Vallaster, and Angerer (2018), Sarango-Lalangui, Santos, and Hormiga (2018) and Rashid (2019). Therefore, the reason why this topic has gained attention over the years, is due to the fact that constantly rising industrial activities continue enabling climate change, for example the introduction of fast cars that release high carbon emission, and large corporates relying heavily on natural resources such as coal for energy generation has raised global climate concerns.

Moreover, the UN (2016) mentioned that entrepreneurs alongside businesses can play a vital role not only in addressing worldwide ecological challenges but also by helping to eradicate poverty and hunger, build peaceful societies and protect the environment (Apostolopoulos, Al-Dajani, Holt, Jones, & Newbery, 2018). Furthermore, the World Economic Forum (2020) noted that in order for the world to achieve sustainability, collaboration of entrepreneurs is essential simply because entrepreneurs are the drivers of innovation. As a result of enabling entrepreneurs from across the world to work together, the world can get cleaner inventions.

Thus, the UN has initiated entrepreneurial programmes such as the E4 Impact Foundation that is aimed at providing African entrepreneurs, particularly youth and children, with the platform to explore entrepreneurship through talking to successful entrepreneurs from across the world. Such initiatives

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